GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:790
ANSWERED ON:24.11.2009
EXPRESSWAY AUTHORITY
Sugavanam Shri E.G.

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Government proposes to set up an Expressway Authority;

(b) if so, the details thereof;

(c) whether the Government proposes to fix targets for achieving road construction on a daily basis;

(d) if so, the details thereof;

(e) the steps taken to attain the targets; and

(f) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH)

(a) to (b) The Eleventh Five Year Plan document envisages setting up of an Expressway Authority of India to implement the master Plan for 15600 Kms of access-controlled expressways.

(c) to (d) The Government has envisaged construction of National Highways at an average of 7,000 km per year (i.e. about 20 km per day) during five years (2009-14).

(e) to (f) The details of steps taken to achieve the said targets are given in the statement attached as Annexure.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (e) to (f) OF LOK SABHA UNSTARRED QUESTION NO.790 FOR ANSWER ON 24th NOVEMBER, 2009 ASKED BY SHRI E.G. SUGAVANAM REGARDING EXPRESSWAY AUTHORITY.

Government has accepted the recommendations of the B.K. Chaturvedi Committee for implementation of National Highways Development Project, with the proviso that the financing plan for 2010-11 onwards would be considered by the Empowered Group of Ministers for further action including such changes to the work plan as may become necessary. The recommendations of the Committee as approved by the Government include the following −

1. Modification to Request for Qualification (RFQ) and Request for Proposal (RFP) for the road sector projects after incorporating the recommendations made by the B.K. Chaturvedi Committee, as accepted by the Government, in the Model RFQ and RFP documents issued by the Ministry of Finance. Any further amendments to RFQ/RFP provisions, where necessary, will be carried out on the basis of recommendations of the National Highways Authority of India (NHAI) Board.

2. Carrying out implementation of road projects on all the three modes of delivery viz. Build-Operate-Transfer (BOT) (Toll), Build-Operate-Transfer (BOT) (Annuity) and Engineering Procurement Construction (EPC) (Item Rate Contract) concurrently rather than sequentially. Hence, a road not found prima facie suitable for BOT (Toll) can be implemented directly on BOT (Annuity) subject to the overall cap as envisaged in the Work Plan. The decision of shifting a project from BOT (Toll) to BOT (Annuity) to be taken by the IMG chaired by Secretary, MoRTH and approved by Minister, Road Transport & Highways.

3. Before implementing a project on EPC basis, it is to be compulsorily tested for BOT (Annuity) and only if unacceptable bids are received then only the project will be awarded on EPC basis. In case of difficult areas having law & order problems, security, inhospitable terrain etc, a bid working out to an Equity Internal Rate of Return of up to 21% will be acceptable considering the risk premium of 3 %, on case to case basis. Public Private Partnership Appraisal Committee (PPPAC) has been empowered to give approval for projects to be moved from Annuity to EPC where acceptable bids have not been received.

4. In case of projects under National Highways Development Project (NHDP) Phase IV, if the traffic is less than 5,000 PCUs, the project can be directly taken up on EPC. For the specific EPC km lengths recommended in the Work Plan, specific EPC packages will be presented before the existing Expenditure Finance Committee (EFC) in the MoRTH for approval.

5. Based on the feasibility report, the projects would be tried first on BOT (Toll) and in case of non-viability/poor response, the same would be shifted to BOT (Annuity) failing which on EPC. For the projects where NHAI is not able to get bids, the process of preparation of detailed project report will be initiated immediately to save time in case such projects are required to be taken up on EPC.

6. Raising of overall Viability Gap Funding (VGF) cap of 5% to 10% for the entire six- laning programme, and consideration of individual projects in low traffic Golden Quadrilateral (GQ) stretches with VGF up to 20% within an overall cap of 500 Kms.

7. Funding of the NHDP Projects under Special Accelerated Road Development Programme for North East Region (SARDP-NE) and in the State of Jammu & Kashmir with Additional Budgetary Support (ABS) over and above the cess that the Government provides to NHAI on a yearly basis.

8. An Inter-Ministerial Group (IMG) has been set up under the Chairmanship of Secretary, Ministry of Road Transport & Highways (MoRTH) with representatives of Department of Economic Affairs (DEA), Department of Expenditure, Planning Commission and Ministry of Law & Justice to consider issues relating to Modal Concession Agreement (MCA).

9. The Empowered Group of Ministers (EGoM) comprising of Finance Minister, Minister of Road Transport & Highways and Deputy Chairman, Planning Commission has been set up.